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FISCAL IMPACT STATEMENT

LS 7032

BILL NUMBER: HB 1116

NOTE PREPARED: Jan 25, 2022

BILL AMENDED: Jan 25, 2022

SUBJECT: Electronic Voting Machines.

FIRST AUTHOR: Rep. Wesco

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) *VVPAT*– The bill provides that, after July 1, 2022, a county must meet certain requirements when using any direct record electronic voting system that does not include a voter verifiable paper audit trail for an election.

Cybersecurity Extension– The bill provides that the security agreement that counties are required to enter into with the Secretary of State must be funded by money received from the federal government or from money appropriated by the General Assembly.

Driver's License and SSN– The bill provides that before an individual can access an absentee ballot application that is submitted in an electronic format using a module of the computerized list, the individual must provide either the individual's Indiana driver's license number or the last four digits of the individual's Social Security number.

Absentee Voting– The bill provides that under certain circumstances, a person is entitled to vote by absentee ballot by mail if the person is unable to vote for various reasons.

Early Voting– The bill requires that voting before an absentee voter board at the circuit court clerk's office or at a satellite office be referred to as "early voting" on all forms prescribed by the Election Division and in all communications with voters.

Provisional Ballot Notice– The bill repeals language that requires the circuit court clerk to provide notice containing certain information to each voter who casts a provisional ballot.

Post-Election Audits– The bill changes the term "risk-limiting audit" to "post-election audit". The bill removes the word "pilot" from the chapter concerning post-election audits. The bill provides that the Secretary of State shall determine the number of elections that are subject to a post-election audit.

Effective Date: Upon passage; July 1, 2022.

Explanation of State Expenditures: (Revised) *Cybersecurity Extension*– To extend the existing contract beyond 2022 would require additional General Assembly appropriations, if further federal funding is not received. Total cost of the service would depend on the terms reached between the state and the vendor on the contract extension.

(Revised) *Absentee Voting and Early Voting*– The Election Division may have to revise forms and/or publications to comply with this provision. However, it is likely the Division would be able to do so within existing staff and resource levels.

(Revised) *Post-Election Audits*– It is likely the Secretary of State would be able to designate post-election audit counties in the same capacity, with existing staff and resources, as the Secretary selected the pilot post-election audit counties.

(Revised) *Driver's License and SSN*– This provision would require absentee ballot application forms (42106 In-Person, 47090 Mail) and possibly other forms to be updated in order to comply with the last 4 digits of the SSN or the driver's license number to be provided by the applicant. (Under current forms, the last 4 digits of the SSN is optional to provide, and no space is provided for the driver's license number.) It is likely the form changes could be accomplished electronically within existing resources.

Additionally, the Election Division would also need to modify the SVRS absentee ballot module to allow the input of the driver's license number or the last 4 digits of an applicant's SSN on ballot applications. The impact to state expenditures is estimated at \$1,800 to \$2,100 to \$15,000 to \$30,000 to make the modifications. The upper range represents significant additional programming.

Additional Information– Currently, Indiana has an active 40-month contract with the cybersecurity vendor FireEye to provide election cybersecurity to county voting systems. The contract was initiated in November 2019. The current contract amount is about \$6.4 M. The funds for the contract were provided to the state by federal grant to improve election cybersecurity after the 2016 general election. The original intent was for counties to receive the cybersecurity service for their election equipment at no cost to the counties.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Post-Election Audits*– The provision would allow counties that have not already done so to elect to be appointed as a post-election audit county by the Secretary of State. Given this provision is optional, the total additional expenditures for this program are indeterminable. The following table shows the estimated expenditure breakdown of a single county audit.

Table. Post-Election Audit Expenditure Breakdown (per county)	
Expenditures by Type	Amount
County	\$3,185
Administrative (Mostly covering Voting System Technical Oversight Program's costs)	\$14,250
Technical Consulting	\$1,520
Software Cost	\$545
TOTAL EXPENDITURE	\$19,500

(Revised) *Provisional Ballot Notice*– The bill may provide a minor expenditure savings to counties, depending if a county currently sends the required notices by first class mail. Additionally, there would likely be some reduction in administrative workload to process and mail the required instructions.

(Revised) *Absentee Voting*– Election officials may need to update training and procedures in order to comply with this provision.

Explanation of Local Revenues: *VVPAT*– All counties employing the MicroVote DRE voting system have VVPAT modules for at least 10% of their machines, with several at or near 100%. It is not known if all of the modules have been connected and used in elections.

Additional Information– Counties with MicroVote DREs have received VVPAT modules purchased by the Secretary of State under funds provided by HEA 1001-2019 for election security. According to the Secretary of State's budget request transmittal letter, dated: December 9, 2020, the Secretary of State, with the use of federal and state funds, was able to replace or equip more than 30% of existing equipment with VVPAT technology.

According to MicroVote, all counties have at least 21% of their MicroVote DREs connected to VVPAT modules. All of the MicroVote DREs owned by Adams, Bartholomew, Blackford, Dubois, Franklin, Johnson, Parke, Steuben, Tippecanoe, and White are 100% equipped with VVPAT modules, with Clinton at 97%. Several more are at 50% to 60% equipped.

Johnson County received VVPAT modules equal to 10% of their DRE's or 45 machines during late 2019. Johnson County currently has VVPAT modules for all of their MicroVote DREs.

Bartholomew County received state funds from the Secretary of State for 60 VVPAT modules for their MicroVote DREs.

State law requires all counties with DRE voting systems to have at least 10% of their machines capable of producing a paper trail.

There were 5,471 provisional ballots cast during the 2020 general election in Indiana, with 4,123 provisional ballots rejected. If all persons casting the provisional ballots had their instructions mailed to them, the total

postage expenditure would have been approximately \$3,200 at the current first class postage rate.

State Agencies Affected: Secretary of State, Election Division.

Local Agencies Affected: County election boards.

Information Sources: J. Bradley King, Co-Director, Indiana Election Division; Rachel Hoffmeyer, Deputy Secretary of State, Indiana Secretary of State's Office; VSTOP;
https://dailyjournal.net/2019/09/24/county_to_buy_all_new_election_equipment/;
https://www.therepublic.com/2020/02/23/county_to_have_paper_record_on_all_voting_machines/;
<https://www.in.gov/sba/files/Secretary-of-State-Transmittal-Letter.pdf>; MicroVote; Election Assistance Commission: *Election Administration and Voting Survey 2020 Comprehensive Report*.

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